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C O N F I D E N T I A L SECTION 01 OF 03 DOHA 000321

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SUBJECT: QATAR GAS SLOWLY MOVING FORWARD ON SECURITY

Derived from: DSCG 05-1, B,D.

¶1. (C) Summary. QatarGas is in the midst of improving its security procedures with new equipment, better training, and more security personnel, the goal is to be ISO 28000 compliant in the next two years. While undergoing physical improvements, the QatarGas head of security is also trying to raise security awareness amongst all Qatar Gas employees. QatarGas has a tepid working relationship with Qatar Petroleum, which can influence but does not mandate QatarGas security procedures. Cooperation with the other end users in Ras Laffan is good, but they complain that working with Ras Laffan City security is problematic due to lacking communication. Offshore sites remain the largest vulnerability for QatarGas, although officials assess an onshore attack is more likely. The Iranian threat is another concern but the U.S. military presence in Qatar is reassuring. End Summary.

MAKING THE BUSINESS CASE

¶2. (C) Gordon Penney, QatarGas Head of Security told Econoff on March 8 that his largest battle is convincing people that security is important and a necessary part of the overall business plan. Penney presented his security assessment to QatarGas senior management when he first arrived and despite his negative results, the presentation was well-received with an attitude towards fixing the problems and moving forward. Penney claimed QatarGas will be the world's largest producer of liquefied natural gas by 2010 and as such his work to protect the investment is one of the most critical aspects of QatarGas operations. Penney is working to raise awareness of the importance of security throughout the company and wants QatarGas' mission statement changed to include security as a company value.

¶3. (C) Penney also must contend with the vulnerabilities business expansion presents. There are two major areas within the QatarGas area that are under development. These areas will have 30,000 workers during the construction phase posing a serious threat to the current security environment. There is nothing that Penney can do about the construction workers because those contracts were set before he arrived and he cannot greatly enforce new security standards on the contractors. However, he is able to suggest better security practices and integrate the contractors into the larger QatarGas security scene.

IMPROVING ONE STEP AT A TIME

¶4. (C) Penney plans to have a new security plan in place in 18 months. He has spent a large portion of his time

assessing what vulnerabilities existed for QatarGas and then developing a plan to fix them. He told Econoff he felt "paralyzed" because there was so much work to be done, and he did not know where to start first. Penney hired new security managers who are responsible for IT security, training of the guard force, and Ras Laffan, Doha, port, and offshore operations. This allows for better coverage of QatarGas' information security, personnel, and actual LNG production.

¶15. (C) All of the new security plans and procedures are being developed with an eye towards conforming to ISO 28000, a 2005 standard set by the International Organization of Standards that manages the security of the supply chain. Penney developed a new security plan to include hard barriers, technological security measures, and a training program for security guards and general employees. He eventually would like have a QatarGas internal quick reaction force that is authorized to use lethal force if necessary and is currently working with QatarGas lawyers to determine the legality of armed guards under Qatari law.

¶16. (C) After the Abqaiq attack in Saudi Arabia, Ras Laffan was elevated to a level 3 security posture meaning the country is facing an imminent threat and Qatari military forces were brought in to protect Ras Laffan City (RLC). The security level was recently raised again after the al Qaida threats against all energy areas, but this time no government forces were sent to support RLC security. Penney estimates QatarGas would be ready to face an imminent threat in the next two years. Currently he feels unable to counter such a threat and does not think that many others in Qatar are ready either.

TRAINING MANDATED FOR ALL

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¶17. (C) Penney aims to increase security training and awareness for all QatarGas employees, not just the guard force. He is starting a safety program for the corporate staff to raise awareness that will be inaugurated in September when QatarGas opens its new administrative offices in Doha. The program will be one week and include basic physical security precautions as well as how to protect QatarGas's proprietary information. QatarGas has challenges protecting its business contract information, and Penney would like to start a system of classifying information and using secure transfer means so QatarGas can keep its information in-house.

¶18. (C) For the guard force, Penney is instituting a 6-7 month basic training for the entire group with more specialized training for shift leaders, armed guards, and those working offshore. The current guards will remain to be trained in accordance to Penney's new guidelines, and the rest will be hired pre-trained for weapons use. Penney claimed he is not under any pressure to hire Qatars. From Econoff observations, the current guard force is mostly workers with the local G4 Security company who were not armed and are charged with controlling access to the QatarGas area of RLC.

VARIED WORKING RELATIONSHIPS

¶19. (C) Penney opined that the main problem with Qatar's overall security infrastructure is that there are no checks and balances between all the interested parties. He stated that Qatar Petroleum (QP) is the "mother ship" and ultimately has the final say in all of the security measures taken by the joint venture companies, but it does not set firm guidelines on security. Penney claimed that when the Giuliani group was in Qatar doing a security assessment for QP, QP ran interference with the affiliated companies to try to minimize

a negative assessment. Penney said that the Giuliani assessment still did a good job detailing the problems and vulnerabilities in Qatar.

¶10. (C) Penney told Econoff that he has a good working relationship with the international partners, but they are not the parties that are most involved in on the ground security. Penney also works well with the other end users in RLC and claims they all have a common goal of improving their security measures. This is important because should an attack occur, the other end-users could be first responders because of their proximity, and it would take longer for RLC or the Qatari military to arrive. Working with RLC is more tenuous because the industrial city is not good at sharing information with the end users. Penney said that with the new security structure recommended by the Giuliani group, the new Director of Security would have jurisdiction over the industrial cities, but some mid-level QP officials are impeding the change because they do not want to give up their own spheres of influence. Penney stated that the new Director of Security job will have to be able to "run the show" in order to get all of the interested parties to cooperate and work effectively.

CONCERN OF OFFSHORE AND IRAN

¶11. (C) Penney stated that offshore operations give him the greatest worry because they are harder to protect. He is also worried about the Iranian situation and the potential for a disruption of traffic through the Straits of Hormuz that would prevent a QatarGas tanker from going through. He is not as concerned about a direct Iranian strike on a QatarGas asset because of the U.S. military presence in Qatar-- although he claimed he is not dependent on the U.S. military for direct support. Despite his concerns about offshore attacks and Iran, Penney said that protection of onshore assets is the most critical. He also feels that it is only a matter of time until another terrorist attack occurs in the region, even estimating a 18-24 month timeframe for an event in either Qatar or the United Arab Emirates because those countries thus far have remained the least affected in the region.

COMMENT

¶12. (C) Penney was excited to speak with Econoff and would probably welcome further USG interaction. Of our interlocutors, QatarGas thus far appears the most proactive

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on strengthening its security infrastructure. Penney was the only contact who continually linked security with the financial future of QatarGas and Qatar, indicating a greater strategic understanding than most. While cooperation between all the RLC end users was highlighted, there also could be an air of competition between the various companies as Penney asked Econoff to keep ISO 28000 and his other plans shown close hold. As each end user continues to build up their infrastructure, this lack of communication may become a disadvantage for the end users should a common infrastructure or plan become necessary in the future.

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